

 <b>KENTUCKY CORRECTIONS</b> Policies and Procedures	Policy Number	Total Pages
	2.7	3
Authority////References KRS 197.020 ACA 4-4027	Date Filed	Effective Date
		October 15, 2010
	Subject	
	<b>CONTROLLING CASH ITEMS</b>	

I. DEFINITION:

“Cash” means currency, coins, checks and money orders.

II. POLICY and PROCEDURES:

This policy provides guidelines for controlling cash at Department of Corrections (DOC) institutions and offices. The number of DOC staff collecting and handling cash items shall be minimized. Each collection point may have different requirements for cash item collection, may use different numbers of employees and may deposit at different locations. Strict control procedures shall be followed.

A. All cash received shall be recorded immediately and deposited as follows:

1. Deposits within 24 hours are required for total cash receipts exceeding \$200. Other deposits, which include checks and money orders that are to be submitted to the Kentucky State Treasurer, shall be made within ten (10) working days of receipt. These funds shall be secured in a safe or locked cash box.
2. A weekly deposit shall be required for total cash receipts of \$200 or less. Items shall be secured in a safe or locked file cabinet, desk or cash box.
3. Money orders and receipts for inmate accounts for Adult Institutions only shall be deposited at least once per week and shall be secured in a safe or locked file cabinet, desk or cash box within a locked office until deposited.
4. Probation and Parole drug testing fees shall be submitted within ten (10) working days of receipt at the DOC Central Office.
5. Cash storage guidelines shall be as follows:
  - a. \$100 or less shall be maintained in a locked desk or locked file cabinet.

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- b. \$100 to \$200 shall be maintained in a night depository, a safe, a locked desk or locked file cabinet.
    - c. More than \$200 shall be maintained in a night depository, a safe or a locked file cabinet in a locked office.
  - B. All cash operations are subject to review by Administrative Services and the State Auditor's Office. All receipts shall be related to a deposit and all deposits shall be traced to a General Ledger.
  - C. Controls for the receipt of cash items shall be as follows:
    - 1. Staff shall insure that responsibility for cash from the time of receipt to the time of deposit is clearly defined and documented.
    - 2. Only a minimum number of staff shall handle cash from receipt to deposit.
    - 3. One person shall not be responsible for receiving cash and depositing it to ensure proper separation of duties.
    - 4. The handling of cash items, record keeping and reconciliation shall be assigned to different staff, unless the amount of available staff is prohibitive. In this case, a second person shall verify reconciliations of cash accounts.
    - 5. If opening and processing mail which may include cash, staff shall do the following:
      - a. Create an initial record for each cash item received.
      - b. Open mail in the presence of co-workers, if possible.
      - c. Endorse checks upon receipt.
    - 6. Staff shall issue a pre-numbered receipt for every currency transaction.
    - 7. All transfers of cash items between persons (within one office, between offices or between the DOC and the bank) shall be documented and signed by the parties involved.
    - 8. Staff shall not send currency or coin to the bank, DOC Administrative Services or the State Treasurer through the U.S. mail.

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9. Disbursements shall not be made from undeposited receipts.
10. Access to undeposited cash shall be restricted to the minimum number of staff possible.
11. DOC funds shall only be deposited into authorized DOC accounts.
12. DOC and personal funds shall be maintained separately.
13. DOC locations in Frankfort shall deliver deposits directly to Central Office Administrative Services or the cashier's office. Intermediate stops, overnight layovers and taking deposits home for next morning deposit shall not be permitted. A staff member carrying \$1000 or more shall be escorted by another staff member.